

STARR ASSOCIATES LLP
ATTORNEYS AT LAW

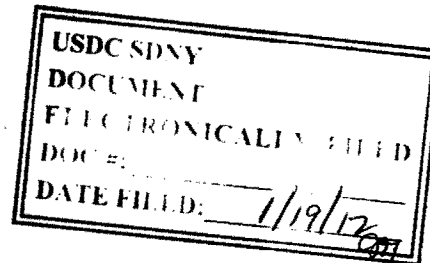
245 FIFTH AVENUE
NEW YORK, NY 10016
TEL 212 620 2680
FAX 212 696 5013
www.starr-lawfirm.com

MEMO ENDORSED

January 18, 2012

VIA FACSIMILE (212) 805-6382

Honorable Paul A. Englemeyer
United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007



Re: Waverly Properties, LLC v. KMG Waverly, LLC, et al.
Case No.: 09 CV 3940

Dear Judge Englemeyer:

This firm is counsel to defendants, KMG Waverly, LLC ("Sponsor"), Burt Miller, Eric Granowsky, Stan Kleger, Marathon Waverly, LLC and Ron Bernstein (collectively, "Sponsor Defendants"). We submit this letter to advise the Court that, pursuant to paragraph 14 of the Stipulation and Order of Dismissal of Cross-Claims, dated January 17, 2011 ("Stipulation"), the following cross-claims ("Cross-Claims") asserted by Sponsor Defendants against defendants, Stanislav Slutsky, P.E., BKSK Architects LLP and Vanguard Construction and Development Co., Inc. ("Non-Sponsor Defendants") have been restored:

The Second Cross-Claim for indemnification asserted in the Answer with Counterclaim and Cross-claims by KMG Waverly LLC, Burt Miller, Eric Granowsky and Stan Kleger, dated July 6, 2009; and

The Second Cross-Claim for indemnification asserted in the Answer with Counterclaim and Cross-claims by Marathon Waverly, LLC and Ron Bernstein, dated July 30, 2009.

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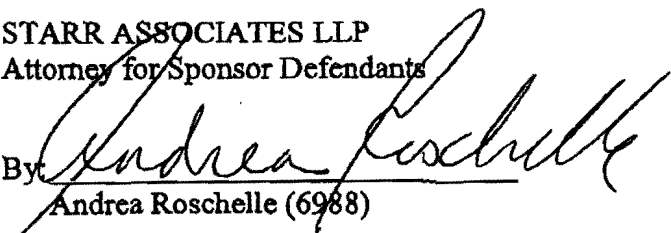
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The Cross-Claims were deemed restored by notice to Non-Sponsor Defendants dated January 11, 2012.

Respectfully submitted,

STARR ASSOCIATES LLP
Attorney for Sponsor Defendants

By


Andrea Roschelle (6988)

cc (Via Facsimile):

Peter Sullivan, Esq.
Steven Sheppard Di Cesare, Esq.
Hughes Hubbard & Reed LLP
Attorneys for Plaintiff
One Battery Park Plaza
New York, New York 10004
(212) 837-6290 (p)
(212) 422-4726 (f)

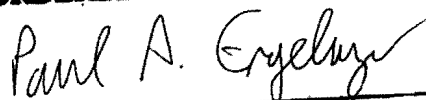
John B. Simoni, Esq.
Goetz Fitzpatrick LLP
Attorneys for Defendant Vanguard Construction
One Penn Plaza - Suite 4401
New York, NY 10019
(212) 695-8100 x 320 (p)
(212) 629-4013 (f)

Martin A. Schwartzberg, Esq.
L'Abbate, Balkan, Colavita & Contini, L.L.P.
Attorneys for Defendant Stanislav Slutsky
1001 Franklin Avenue
Garden City, NY 11530
(516) 294-8844 (p)
(516) 294-8202 (f)

Michael J. Byrne, Esq.
Gogick, Byrne & O'Neill, LLP
Attorneys for BKSK Architects LLP
11 Broadway - Suite 1560
New York, New York 10004
(212) 422-9424 (p)
(212) 422-9429 (f)

The clerk of the court
is directed to docket
this letter. Additionally,
the docket for this matter
should reflect the
restoration of the
cross-claims noted herein.

SO ORDERED:



HON. PAUL A. ENGELMAYER
UNITED STATES DISTRICT JUDGE

1/19/2012